



ATLANTA & SAINT ANDREWS BAY RAILWAY COMPANY

514 EAST MAIN STREET - P. O. BOX 729

DOTHAN, ALABAMA 36301

(205) 792-0975

A. V. HOOKS
CHAIRMAN OF THE
BOARD OF DIRECTORS
And PRESIDENT

February 13, 1974

7405

Secretary
Interstate Commerce Commission
Washington, D. C. 20423

RECORDATION NO. _____

FEB 20 1974 - 8:50 AM

Dear Sir :

INTERSTATE COMMERCE COMMISSION

Pursuant to the provisions of Section 20c of the Interstate Commerce Act and 49 CFR Part 1116, attached for recordation is lease as defined in Section 1116.1 (a), agreement and lease by and between Clinchfield Railroad Company and Atlanta & Saint Andrews Bay Railway Company as follows :

Lease of 70 steel hopper cars, Mechanical Designation No. HM, AAR Car Type Code No. H140, CRR Nos. as follows :

52033	52263	53237	53380	53574
52042	52286	53245	53401	53578
52055	52273	53252	53403	53603
52078	52276	53258	53422	53611
52088	52309	53261	53432	53644
52092	52322	53270	53450	53685
52094	52438	53276	53459	53687
52096	52462	53281	53474	53727
52115	52481	53306	53480	53742
52156	53005	53310	53506	53760
52168	53027	53357	53548	53766
52207	53124	53372	53549	53779
52219	53164	53373	53555	53787
52224	53205	53374	53570	53788

These cars were relettered, bearing same numbers but with letters ASAB.

Voucher in the amount of \$50.00 covering required recordation fee is also attached.

Recorded original document should be returned to R. A. Givan, Secretary Treasurer, Atlanta & Saint Andrews Bay Railway Company, P. O. Box 72 Dothan, Alabama 36301.

RECORDATION No. ---
FEB 21 1974 to the
Station 20

- 2 -

Yours truly,

Arthur S. Wood
President

AVH:abr

Corporate Form of Acknowledgement

STATE OF FLORIDA

COUNTY OF BAY, ss:

On this 13th day of February, 1974, before me personally appeared A. V. Hooks, to me personally known, who being by me duly sworn, says that he is the President of Atlanta & Saint Andrews Bay Railway Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Hermine M. Cowan
Notary Public

My commission expires _____

NOTARY PUBLIC, STATE of FLORIDA at LARGE
MY COMMISSION EXPIRES JULY 12, 1974
BONDED THROUGH FRED W. PRIESTELHORSI

7405

FEB 20 1974 -8 50 AM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT AND LEASE dated as of the 19th day of

W I T N E S S E T H:

1. Lease of Cars. CRR agrees to lease to ASAB and

2. Delivery of Cars. CRR shall deliver the Cars as

3. Condition of Cars - Acceptance.- All cars delivered

General Counsel

interchange service and shall be transported without cost to CRR. ASAB agrees to accept the same as to condition upon delivery.

4. Use and Possession. During the term of this lease, so long as ASAB is not in default of the provisions hereunder, ASAB shall be entitled to possession of each Car from the date the lease becomes effective as to such Car, and the same may be used on its own property or lines and upon the lines of any other railroad in normal interchange service; provided, however, that the Cars shall be used only in the United States of America or Canada and for the uses for which they were designed.

5. Term. This lease shall be for an initial term which shall commence on the date of delivery by CRR of the first Car as provided in paragraph 2 hereof and shall terminate on October 18, 1974. If ASAB has fully performed all of its obligation under this Agreement and Lease, ASAB may, by written notice to CRR given no later than thirty (30) days prior to the conclusion of the preceding term, renew this lease for up to but not exceeding three (3) additional terms of one (1) year each. During any additional term or terms, all of the provisions and conditions of this Agreement and Lease shall continue in effect.

6. Rental. As rental for the use of each Car, ASAB shall pay CRR for each day of such use from the date of delivery thereof in accordance with the provisions of paragraph 2 hereof,

the amount of \$1.60 per calendar day plus the amount of \$50.00 per car which covers the preparation and inspection of the cars for movement. ASAB shall make monthly payments of the aforesaid rental to CRR within fifteen (15) days from the end of each month.

7. Title. ASAB shall not by reason of this Agreement and Lease or any action taken hereunder acquire or have any right or title in and to the Cars except as to the rights herein expressly granted to it as lessee.

8. Maintenance. During the continuance of this lease, ASAB shall promptly and with due diligence keep and maintain the Cars in good working order and repair, and make all replacements and repairs to the Cars or their equipment and appliances to the extent required by presently effective Interchange Rules of the Association of American Railroads and laws and regulations of any Federal, State or governmental body or department. In the event that any modifications are made in said Interchange Rules, laws or regulations during the term of this lease which would require expenditures exceeding ten percent (10%) of the value of any Car or Cars, ASAB shall have the right, upon written notice thereof, to terminate this Agreement and Lease with respect to any or all of the Cars affected by said modifications upon redelivery thereof in accordance with paragraph 16 hereof. Except

as provided in the preceding sentence and in paragraph 15 hereof with respect to the loss or destruction of Cars, all of the foregoing maintenance and replacements shall be provided at the sole cost and expense of ASAB and without any reduction or abatement in rent or other loss, cost or expense to CRR.

9. Additions to Cars. Any parts, replacements or additions made to any Car shall be accessions to such Car and title thereto shall be immediately vested in CRR without cost or expense to CRR.

10. Taxes. ASAB shall promptly pay all taxes, assessments and other governmental charges, including sales, use or ad valorem taxes, levied or assessed during the continuance of this lease upon the Cars or the interest of ASAB therein whether or not upon the use or operation thereof or the earnings derived therefrom. If any levy or assessment is made against CRR on account of any of the foregoing matters or on account of its ownership of the Cars, exclusive, however, of any taxes on the rentals herein provided or the net income of CRR therefrom, ASAB will promptly pay or reimburse CRR for the same except that ASAB shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings protest the validity or amount of such levy or assessment.

11. Prohibition Against Liens. ASAB shall pay or set aside and discharge any and all sums claimed by any party by, through or under ASAB and its successors and assigns which, if unpaid, might become a lien or a charge upon the Cars. ASAB shall not be required, however, to pay or discharge any such claim as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title in and to the Cars.

12. Identification of Cars. At all times during the continuance of this lease, ASAB will cause each Car to bear the number assigned to it and appearing thereon as of the date of its delivery. Upon acceptance of any Car, ASAB shall have the right, during the continuance of this lease, to replace the CRR markings thereon with ASAB markings.

13. Indemnity. ASAB hereby agrees to indemnify, defend and save CRR harmless from and against all expenses, damages, claims, actions or liabilities based upon personal injuries, death or property damage arising out of or in connection with the condition, operation or use of all or any of the Cars from and after their delivery to ASAB until their redelivery to CRR, whether or not due to the negligence, in whole or in part, of CRR, ASAB, or of CRR and ASAB.

14. Loss or Destruction of Cars. In the event that any Car shall be lost, destroyed or irreparably damaged beyond economic repair from any cause whatsoever at any time during the term of this lease, ASAB shall be relieved of its obligation to pay rentals in respect of such Car from the date of such occurrence. ASAB shall forthwith advise CRR of such occurrences and shall make prompt settlement for each such Car by payment in cash to CRR of a sum calculated, as of the date of said loss, destruction or damage, in accordance with the prevailing rules applicable thereto in the Field Manual of the Interchange Rules prescribed by the Association of American Railroads, plus any unpaid rental and charges as herein provided to such date. Upon payment of such settlement, this Agreement and Lease shall terminate as to such Car as of said date and ASAB shall be entitled to salvage, if any.

15. Redelivery of Cars. Upon termination of this lease with respect to any Car (other than pursuant to paragraph 14 hereinabove), ASAB shall at its sole cost and expense immediately surrender possession of such Car by causing delivery of the same to be made to CRR at the nearest point or points on the lines of CRR where cars are normally interchanged with connecting railroads. ASAB shall return all Cars to CRR in as good condition (ordinary wear and tear excepted) as when the same were accepted by ASAB. Until such time as each Car has been redelivered to CRR, ASAB

shall continue to pay rental at the rate being paid immediately prior to termination of this lease and ASAB shall make all other payments and perform all obligations and requirements of ASAB under all provisions of this lease as though such termination had not occurred.

16. Default. The term "event of default" for the purpose hereof shall mean any one or more of the following:

- (a) Non-payment by ASAB within ten (10) days after written notice to ASAB from CRR of default in payment of rental or any other sum required to be paid hereunder by CRR.
- (b) ASAB shall default or fail for a period of thirty (30) days in the observance or performance of any agreement required to be observed or performed on its part under this Agreement and Lease, except as referred to in the foregoing clause (a), and said default or failure shall continue for a period of thirty (30) days after the giving of written notice thereof by CRR.
- (c) A decree or order shall be entered by a court having jurisdiction in the premises adjudging ASAB a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization under the Federal

Bankruptcy Act or any other applicable Federal or State law;

- (d) The institution by ASAB of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of any proceeding or to any action taken or proposed to be taken in any proceeding described hereinabove in clause (c), or the making by ASAB of a general assignment for the benefit of creditors.

17. Remedies. CRR shall have the right in the event of default by ASAB to terminate this Agreement and Lease immediately by giving notice to ASAB, and CRR may without any notice of demand take or cause to be taken immediate possession of the Cars and sell or otherwise dispose of the same, provided, however, that such retaking shall not be deemed a waiver of CRR's right to receive payment of all sums payable by ASAB to CRR under this Agreement and Lease or any other rights or remedies conferred upon CRR under applicable laws.

18. Recording. ASAB, immediately upon execution and without expense to CRR, shall cause this lease to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act.

19. Sublease and Assignment. ASAB shall not assign or sublease this lease or any of the Cars without the prior written consent of CRR. CRR may assign and reassign all or part of its rights under this lease, including the rent to be paid, without the consent of ASAB if said assignment or reassignment does not diminish, interfere or prejudice the rights of ASAB under this lease, and CRR shall give to ASAB notice of any such assignment or reassignment.

20. Successors and Assigns. The covenants, conditions and agreements contained in this Agreement and Lease shall bind and inure to the benefit of the parties, their successors and assigns (to the extent permitted in paragraph 19 hereof).

21. Governing Laws - Amendments. The terms of this Agreement and Lease and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Tennessee. The terms of this Agreement and Lease and the rights and obligation of the parties hereto may not be amended or terminated orally, but only by agreement in writing by the party against whom the enforcement of such amendment or termination is sought.

IN WITNESS WHEREOF, the parties hereto have caused
this Agreement and Lease to be executed by their duly authorized
officers as of the day and year first above written.

CLINCHFIELD RAILROAD COMPANY

By J. D. Moore, Jr.
General Manager

Witness:

J. D. May

ATLANTA AND SAINT ANDREWS BAY
RAILWAY COMPANY

By W. W. Wood
President and
Chairman of the Board

Witness:

Julius A. Hilson

STATE OF ALABAMA

COUNTY OF HOUSTON

SS:

On this 12th day of DECEMBER, 1973,

before me, the undersigned Notary Public, personally appeared A. V. Hooks, who, being by me duly sworn, acknowledged that he is President of the Atlanta and Saint Andrews Bay Railway Company; that he executed the foregoing instrument for and on behalf of said corporation and that the execution of the foregoing instrument was the free act and deed of said corporation.

W. H. Davis

Notary Public

My commission expires:

My Commission Expires

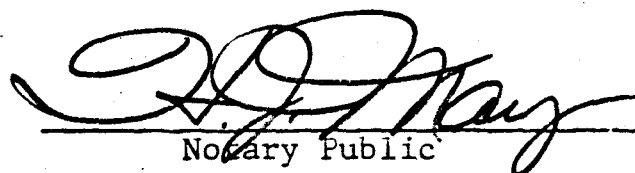
9-22-76

STATE OF TENNESSEE

SS:

COUNTY OF UNICOI

On this 16th day of November, 1973,
before me, the undersigned Notary Public, personally appeared
T. D. MOORE, JR., who, being by me duly sworn, acknowledged that
he is the General Manager of Clinchfield Railroad Company; that
he executed the foregoing instrument for and on behalf of said
company and that the execution of the foregoing instrument was
the free act and deed of said company.


Notary Public

My commission expires:

My Commission Expires
August 18, 1975
